

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN JOHN WITT**, on February 8, 2001 at 8.00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Ken Miller, Vice Chairman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Sen. Greg Jergeson (D)
Sen. Royal Johnson (R)
Rep. Art Peterson (R)

Members Excused: None.

Members Absent: None.

Staff Present: Becky Beckert-Graham, OBPP
David Brown, Legislative Branch
Mark Bruno, OBPP
Amy Carlson, OBPP
Pam Joehler, Legislative Branch
Cayenna Johnson, Committee Secretary
Jim Standaert, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: None.
Executive Action: Supplemental Requests.

EXECUTIVE ACTION ON OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION

Ms. Pam Joehler, Legislative Fiscal Division, handed out the following entitled, "Legislative Action-Differences from Martz Executive Budget Education Joint Appropriations Subcommittee as of February 7, 2001":

EXHIBIT(jeh32a01)

University System Proposed Changes

{Tape : 1; Side : A; Approx. Time Counter : 0.9; 8:10 a.m.}

Motion/Vote: SEN. MILLER moved that INCREASE OCHE LUMP SUM BY \$88,194 FOR UTILITIES REQUEST BE ADOPTED. Motion carried unanimously. Roll call vote.

Motion: SEN. JERGESON moved LIBRARY ACQUISITION INFLATION (8% PER YEAR) .

Discussion: SEN. MILLER if this was a lump sum or going to be line-itemed. SEN. JERGESON said it would be part of the lump sum. SEN. MILLER stated that if he did not vote for the library it did not mean MUS should not fund the library but that he was trying to reduce the overall lump sum.

Motion/Vote: SEN. JERGESON moved LIBRARY ACQUISITION INFLATION (8% PER YEAR). Motion failed 2-4 with Buzzas and Jergeson voting aye. Roll call vote.

Motion: SEN. JERGESON moved that ELIMINATE VACANCY SAVINGS ADJUSTMENTS BE ADOPTED.

Discussion: Ron Sundsted, Associate Commissioner of Fiscal Affairs, Office of the Commissioner of Higher Education (OCHE), reminded the committee of the issues he had identified during the hearing that MUS did not have any Vacancy Savings due to the high termination pay.

Motion/Vote: SEN. JERGESON moved that ELIMINATE VACANCY SAVINGS ADJUSTMENTS BE ADOPTED. Motion failed 2-4 with Buzzas and Jergeson voting aye. Roll call vote.

Motion/Vote: SEN. JERGESON moved that TERMINATION PAY BE ADOPTED. Motion failed 2-4 with Buzzas and Jergeson voting aye. Roll call vote.

Motion/Vote: REP. BUZZAS moved that BANNER OPERATIONS BE ADOPTED. Motion failed 2-4 with Buzzas and Jergeson voting aye. Roll call vote.

Motion/Vote: SEN. JERGESON moved that PLB UTILITY BE ADOPTED. Motion failed 4-2 with Buzzas and Jergeson voting aye. Roll call vote.

Motion: SEN. JERGESON moved that **UTILITY SHORTFALL - 2003 BIENNIUM BE ADOPTED.**

Discussion: These are increased utility costs due to utility deregulation. SEN. MILLER explained that these issues will be dealt with globally later in the session in SEN. JOHNSON'S legislation. SEN. JERGESON asked why the committee was waiting. He said that student tuition was increasing as a result of legislative decision and did not think this was an appropriate expectation. SEN. MILLER stated that Montana tax payers were also paying higher utility bills and that they did not have a revenue source to ask for money to pay their bills. REP. BUZZAS replied she would support this motion because Montana families also paid increasing tuition costs.

Motion/Vote: SEN. JERGESON moved that **UTILITY SHORTFALL - 2003 BIENNIUM BE ADOPTED.** Motion failed 2-4 with Buzzas and Jergeson voting aye. Roll call vote.

Motion/Vote: SEN. JERGESON moved that **RESTORE PAY PLAN ANNUALIZATION DEFUNDING BE ADOPTED.** Motion failed 2-4 with Buzzas and Jergeson voting aye. Roll call vote.

Motion: SEN. JERGESON moved that **ADDITIONAL WAIVERS FOR TUITION TO FILL FUNDING HOLE BE ADOPTED.**

Discussion: SEN. JERGESON reminded the committee that the university is constitutionally mandated to give grants and are operating under direction from the legislature.

Motion/Vote: SEN. JERGESON moved that **ADDITIONAL WAIVERS FOR TUITION TO FILL FUNDING HOLE BE ADOPTED.** Motion failed 2-4 with Buzzas and Jergeson voting aye. Roll call vote.

Program 09- Appropriation Distribution
Agricultural Experiment Station

Motion/Vote: SEN. MILLER moved that **BASE BUDGET, PRESENT LAW ADJUSTMENTS, DP 2 - FARM EQUIPMENT AND VEHICLES-OTO, DP 3-CORRECT PERSONAL SERVICES CALCULATION, DP 7-INCREASE RECHARGE PAYMENT TO MAIN CAMPUS WITH 1.5 VACANCY SAVINGS APPLIED TO TOTAL PERSONAL SERVICES INCLUDING HEALTH INSURANCE BE ADOPTED.** Motion carried unanimously. Roll call vote.

Motion/Vote: SEN. JERGESON moved that **APPROPRIATE \$311,356 GENERAL FUND OVER THE BIENNIUM FOR AGRICULTURE SALES SHORTFALL BE ADOPTED.** Motion failed 3-3 with Buzzas, Jergeson and Witt voting aye. Roll call vote.

{Tape : 1; Side : B; Approx. Time Counter : 0.8; 8:40 a.m.}

Motion: SEN. JERGESON moved that APPROPRIATE GENERAL FUND REDUCTIONS OF FEDERAL FUNDING \$234,200 BE ADOPTED.

Discussion: CHAIRMAN WITT asked Sharron Quisenberry, Dean and Director College of Agriculture and Agriculture Experiment Station, Montana State University, why the federal funds for the Montana Agriculture Experiment Station (MAES) were decreasing. She explained that these funds were being redirected to special programs like the Fund for Rural America designed to enhance rural economic development.

Motion/Vote: SEN. JERGESON moved that APPROPRIATE GENERAL FUND REDUCTIONS OF FEDERAL FUNDING \$234,200 BE ADOPTED. Motion failed 3-3 with Buzzas, Jergeson, and Witt voting aye. Roll call vote.

Motion/Vote: REP. BUZZAS moved that DP 5-ADDITIONAL SPACE FOR OPERATIONS BE ADOPTED. Motion failed 3-3 with Buzzas, Jergeson, and Johnson voting aye. Roll call vote.

Program 09-Appropriation Distribution Extension Service

{Tape : 1; Side : B; Approx. Time Counter : 14.7}

Motion: REP. PETERSON moved that BASE, PRESENT LAW ADJUSTMENTS AND MARTZ VACANCY SAVINGS BE ADOPTED.

Substitute Motion/Vote: SEN. JERGESON made a substitute motion that BASE, PRESENT LAW ADJUSTMENTS WITH 1.5% VACANCY SAVINGS APPLIED TO ALL PERSONAL SERVICES INCLUDING HEALTH INSURANCE BE ADOPTED. Motion failed 4-2 with Buzzas and Jergeson voting aye. Roll call vote.

Motion/Vote: REP. PETERSON moved that BASE, PRESENT LAW ADJUSTMENTS AND MARTZ VACANCY SAVINGS BE ADOPTED. Motion passed unanimously. Roll call vote.

Motion: SEN. JERGESON moved that FUND NEW PROPOSAL FOR 3 FTE \$281,598 PER YEAR IN THE BIENNIUM BE ADOPTED.

Discussion: This has not been approved in either the Racicot or the Martz Executive Budget. SEN. JERGESON asked that the committee not anchor their votes on the decisions of the Governor's but on their constituents. SEN. JOHNSON said he supports this motion but does not know where the funding will come from. REP. BUZZAS told the committee this motion was a

great opportunity to reap financial benefit and was the cheapest economic development piece in the session.

Motion/Vote: SEN. JERGESON moved that **FUND NEW PROPOSAL FOR 3 FTE \$281,598 PER YEAR IN THE BIENNIUM BE ADOPTED.** Motion failed 2-4 with Buzzas and Jergeson voting aye. Roll call vote.

Program 09-Appropriation Distribution Fire Services Training School

{Tape : 1; Side : B; Approx. Time Counter : 26.1}

Motion/Vote: SEN. MILLER moved that **BASE, PRESENT LAW ADJUSTMENTS AND THE MARTZ RECOMMENDED VACANCY SAVINGS BE ADOPTED.** Motion carried unanimously. Roll call vote.

{Tape : 1; Side : B; Approx. Time Counter : 30}

Motion: REP. BUZZAS moved that **ADD 3 MORE FIRE TRAINING POSITIONS OVER THE BIENNIUM AT \$191,332 FY02, \$287,390 FY03 BE ADOPTED.**

Discussion: SEN. JERGESON reminded the committee that these fire trainers have a direct impact of lowering insurance rates and that with over 10,000 rural volunteer firefighters, the best they can do is "train alike to fight alike".

Motion/Vote: REP. BUZZAS moved that **ADD 3 MORE FIRE TRAINING POSITIONS OVER THE BIENNIUM AT \$191,332 FY02, \$287,390 FY03 BE ADOPTED.** Motion failed 2-4 with Buzzas and Jergeson voting aye. Roll call vote.

Motion/Vote: REP. WITT moved that **ADD 1 FTE PER YEAR IN THE BIENNIUM BE ADOPTED.** Motion carried 5-1 with Johnson voting no. Roll call vote.

Motion/Vote: SEN. JERGESON moved **APPLY 1.5% VACANCY SAVINGS TO THE BUREAU OF MINES AND ENGINEERING.** Motion failed 3-3 with Buzzas, Jergeson, and Johnson voting aye. Roll call vote.

Language Recommendations

{Tape : 2; Side : A; Approx. Time Counter : 6.6; 9:20 a.m.}

Ms. Joehler briefly explained the history of each LFD language recommendation. These can be found in pages E-78 through E-81 in the LFD Budget Analysis:

{Tape : 2; Side : A; Approx. Time Counter : 16}

The committee also decided that any amendments to the Language Recommendations would be presented at the next meeting, 2/9/01.

EXHIBIT (jeh32a02)

Motion/Vote: SEN. JOHNSON moved that **LANGUAGE ON GENERAL INSTRUCTION BE ADOPTED. Motion carried unanimously. Roll call vote.**

Motion/Vote: SEN. JOHNSON moved that **LANGUAGE ON TUITION, INTEREST AND OTHER REVENUE APPROPRIATION BE ADOPTED. Motion carried unanimously. Roll call vote.**

Motion/Vote: SEN. JERGESON moved that **LANGUAGE ON ENERGY CONSERVATION PROGRAM BE ADOPTED. Motion carried unanimously. Roll call vote.**

Motion: SEN. MILLER moved that **LANGUAGE ON AUDIT COSTS BE ADOPTED. Motion withdrawn.**

Motion: SEN. JOHNSON moved that **LANGUAGE AGRICULTURE EXPERIMENT STATION BE ADOPTED. Motion withdrawn.**

Motion/Vote: SEN. JOHNSON moved that **LANGUAGE ON EXTENSION SERVICE BE ADOPTED. Motion carried unanimously. Roll call vote.**

Motion/Vote: SEN. JOHNSON moved that **LANGUAGE ON FIRE SERVICES TRAINING SCHOOL BE ADOPTED. Motion carried unanimously. Roll call vote.**

**EXECUTIVE ACTION ON FISCAL 2001 EDUCATION AGENCY
SUPPLEMENTAL REQUESTS**

{Tape : 2; Side : A; Approx. Time Counter : 25.1; 10:10 a.m.}

Ms. Becky Beckert-Graham, OBPP, handed out the following concerning supplemental allocations from HB 3.

EXHIBIT (jeh32a03)

Montana Historical Society

Dr. Arnie Olsen, Director, Montana Historical Society (MHS), explained to the committee they requested \$250,000 for the Scriver Collection and would be willing to give up over half of the Archives Request, reducing from \$350,000 to \$175,000 or more. These can be found in the following exhibits entitled, " Archives Supplemental Request," "Scriver Collection Supplemental Request," and "What's In the Scriver Collection?":

EXHIBIT(jeh32a04), EXHIBIT(jeh32a05), EXHIBIT(jeh32a06).

SEN. MILLER complimented **Dr. Olsen** for making it easy on the committee and showing the priorities of the Montana Historical Society.

Motion/Vote: **REP. PETERSON** moved that **SCRIVER COLLECTION OF \$249,000 BE ADOPTED. Motion carried unanimously.** Roll call vote.

SEN. JERGESON asked **Dr. Olsen** if he needed a small amount of money to store the material without destroying it. **Dr. Olsen** replied that he would need about \$20,000 to store the material in an environmentally safe area until they can request funds in the next biennium.

Motion/Vote: **REP. BUZZAS** moved to **ALLOCATE ADDITIONAL \$20,000 FOR ADEQUATE STORAGE SPACE FOR ARCHIVES BE ADOPTED. Motion carried unanimously.** Roll call vote.

Office of Public Instruction

{Tape : 2; Side : B; Approx. Time Counter : 15.8; 10:30 a.m.}

Ms. Kathy Fabiano, Assistant Superintendent Department of Operations, Office of Public Instruction, explained OPI Supplemental Requests to the committee in the following:

EXHIBIT(jeh32a07), EXHIBIT(jeh32a08)

She stated OPI was no longer requesting supplemental funding for Staff Payouts due to the change in administration. This cost was avoided by the new Superintendent Linda McCulloch retaining the staff of the former Superintendent. The total of the Supplemental Request is \$8,005,009 budget shortfall. This shortfall is a result of estimates in the last biennium, a change in the property tax value in the last session and a decrease of 600 ANB in student enrollment. This does not include the Malta School District request of \$21,009 in HB 3. **Jim Standaert, LFD,** explained that GTB and Direct State Aid are hard to predict and that the motor-vehicle bill also affected this supplemental request.

Motion: **REP. BUZZAS** moved that **OPI SUPPLEMENTALS FOR \$8,005,009 BE ADOPTED.**

Discussion: **SEN. MILLER** stated he could not support this motion due to the large increase in the OPI budget during the last session and the special session. **Ms. Carlson** explained these are

statutory appropriations and that OPI does not have any discretion whether or not they can pay these costs. **Mr. Standaert** explained that if there was a way for these requests not to come out of the general fund, these monies would be made up in local property taxes.

{Tape : 2; Side : B; Approx. Time Counter : 22.2}

Motion/Vote: REP. BUZZAS moved that OPI SUPPLEMENTALS BE ADOPTED. Motion passes unanimously. Roll call vote.

Office of Higher Education

{Tape : 2; Side : B; Approx. Time Counter : 26.1; 9:45 a.m.}

Rod Sundsted, Associate Commissioner Fiscal Affairs, Office of the Commissioner of Higher Education (OCHE), explained to the committee that the executive budget in the last session included no inflationary adjustments for utility costs. He said that electricity was not a problem, but gas. Gas costs increased from \$1.32 to \$3.55 or \$9.81 in Billings. OCHE is asking for \$1,885,986 to pay for costs from FY00 and FY01.

EXHIBIT (jeh32a09)

{Tape : 3; Side : A; Approx. Time Counter : .5}

Motion/Vote: REP. BUZZAS moved that OCHE UTILITY SUPPLEMENTAL FY00, FY01 BE ADOPTED. Motion failed 3-3 with Buzzas, Jergeson and Johnson voting aye.

Discussion: SEN. JERGESON recommended that the committee not wait to deal with this later on in the session. He reminded the committee that these are real costs and that OCHE has 4.5 months to pay these costs without being able to generate money with layoffs or increased tuition. SEN. MILLER said he wanted to address this later in the process.

CHAIRMAN WITT asked **Dean Quisenberry** to present the committee with information for a better understanding of the bio-based program at the next meeting. He also intends to revisit the NRIS information, language, and fire services training.

{Tape : 3; Side : A; Approx. Time Counter : 5}

ADJOURNMENT

Adjournment: 11:55 A.M.

REP. JOHN WITT, Chairman

CAYENNA JOHNSON, Secretary

JW/CJ

EXHIBIT (jeh32aad)